

With a copy to:

Dan J. Alpert, Esq.
1250 Connecticut Avenue, N.W.
7th Floor
Washington, D.C. 20036

To Escrow Agent:

Michael J. Wilhelm, Esquire
Law Offices of Michael J. Wilhelm
1350 Connecticut Avenue, N.W.
Suite 905
Washington, D.C. 20036
Telecopier: (202) 785-9118

4.5. Governing Law. This Escrow Agreement shall be governed by and construed in accord with the laws of the District of Columbia.

4.6. Counterparts. This Escrow Agreement may be executed in one or more counterparts, and all so executed shall constitute one Agreement, binding on the Parties, notwithstanding that the Parties are not signatories to the original or the same counterpart.

4.7. Headings. The headings of the paragraphs of this Escrow Agreement are inserted and for reference purposes only. They in no way define, limit or describe the scope of this Agreement or the intent of any of its provisions.

IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement as of the year and date indicated below.

Dated:

KES COMMUNICATIONS, INC.

By: _____
Karen E. Slade
President

Dated:

KR PARTNERS

By: _____
Julie K. O'Connor
General Partner

Dated:

LORI LYNNE FORBES

By: _____
Lori Lynne Forbes

Dated:

ESCROW AGENT:

MICHAEL J. WILHELM, ESQUIRE

By: _____
Michael J. Wilhelm

EXHIBIT Nos. 3A - 3C
(Section 73.3525 Settlement Declarations)

DECLARATION OF KAREN E. SLADE

1. My name is Karen E. Slade. I am the 100% owner of KES Communications, Inc., an Applicant before the Federal Communications Commission ("FCC") for a Construction Permit to construct a new FM Broadcast Station on Channel 256C in Waimea, Hawaii (FCC File No. BPH-911903MH).

2. My Application is mutually exclusive with those of KR Partners (FCC File No. BPH-911001MB) ("KR"), and Lori Lynne Forbes (FCC File No. BPH-911004MH) ("Forbes"). These three Applications have been designated for consolidated hearing by the FCC (MM Docket No. 93-53).

3. On behalf of KES, I have entered into a Merger Agreement with KR, as well as a Settlement Agreement with KR and Forbes. I have agreed with KR's Julie K. O'Connor to become a 50%-50% equity owners in a new Hawaiian corporation that will be the new Waimea permittee. Furthermore, KES will pay a pro rata portion of the monetary consideration to Forbes in exchange for the voluntary dismissal of her FCC Application. These Agreements are included as exhibits to a Joint Request for Approval of Settlement Agreements, which is to be filed with the Presiding Judge in the Waimea proceeding. Other than the considerations set forth in the respective Agreements, I have not paid nor promised to pay to Forbes any other consideration for the dismissal of her application.

4. I believe approval of the Merger and Settlement Agreements would be in the public interest. It would completely eliminate the need to hold an evidentiary hearing in this proceeding, thereby conserving valuable agency and private resources, and would provide for the expeditious commence of an additional aural broadcast service to Waimea, Hawaii.

5. In compliance with Section 73.3525(a)(2) of the FCC Rules, this is to state that KES did not file its application

with the intent or for the purpose of effecting a settlement of this case. KES was, and remains fully prepared to prosecute its application in a vigorous manner, if required.

6. Under penalty of perjury, I declare that the foregoing facts are true and correct to the best of my knowledge, information, and belief, except for those facts which are a matter of official notice, and as to those, I believe them to be true.

8/16/93
Dated

Karen E. Slade
Karen E. Slade

DECLARATION

I, Julie O'Connor hereby state as follows:

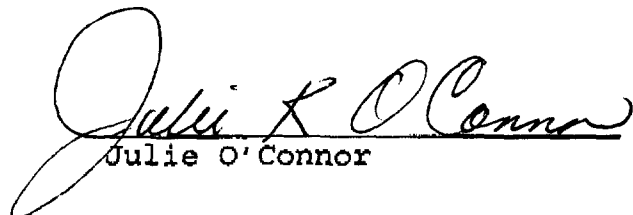
1. I am a general partner of KR Partners ("KR"), an applicant for a new FM station at Waimea, Hawaii, File No. BPH-911001MB, having a 75% ownership interest. This declaration is submitted in support of a settlement of the hearing proceeding in MM Docket No. 93-53 pursuant to a Merger Agreement between KR and KES Communications, Inc. ("KES"), and a Settlement Agreement among KR, KES and Lori Lynne Forbes.

2. The Merger Agreement and Settlement Agreement set forth all the consideration paid or promised in connection with the settlement, and KR has not agreed or promised to pay any consideration other than as set forth therein.

3. Approval of the Merger Agreement and Settlement Agreement will serve the public interest by avoiding a protracted hearing proceeding, conserving the financial resources of the FCC and the parties to the proceeding, and allowing the expeditious initiation of a new FM radio service at Waimea, Hawaii.

4. KR did not file its application for the purpose of reaching or carrying out a settlement.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my personal knowledge. Executed this 14th day of August, 1993.


Julie O'Connor

DECLARATION

I, Lori Lynne Forbes, hereby state as follows:

1. I am an applicant for a new FM broadcast station to serve Waimea, Hawaii (File No. BPH-911004MH).

2. No monetary consideration is being provided to me in conjunction with the dismissal of my application for Waimea, Hawaii other than that specified in the Settlement Agreement that is being filed with the Commission.

3. Approval of the Agreement is in the public interest insofar as it will expedite the commencement of new service to Waimea by eliminating the need for a comparative hearing in this proceeding.

4. My application was not filed for the purpose of reaching or carrying out the Settlement Agreement.

I declare under penalty of perjury that the foregoing is true and correct.

LORI LYNNE FORBES

By: 
Lori Lynne Forbes

Signed and dated this 11 day of August, 1993.

DECLARATION

I, Lori Lynne Forbes, hereby state under penalty as follows:

1. I am an applicant for Waimea, Hawaii.

2. I have incurred expenses in conjunction with the filing and prosecution of my application as follows:

Schwartz Wood & Miller	\$2278.21
FCC Application Filing Fee	2030.00
FCC Hearing Fee	6760.00
Dan J. Alpert, Esq.	18,397.53
Caughill-Palitz	2591.96
Original Engineering by John J. Davis	3000.00
Telephone	25.00

TOTAL \$ 35,082.27

I declare under penalty of perjury that the forgoing is true and correct.


Lori Lynne Forbes

Signed and dated this __ day of August, 1993.

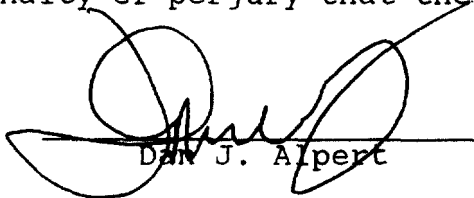
DECLARATION

I, Dan J. Alpert, hereby state as follows:

1. I am an attorney practicing law before the Federal Communications Commission. I represent Lori Lynne Forbes ("Forbes").

2. Forbes has incurred legal expenses in excess of the amount of \$ 18,397.53 in conjunction solely with the prosecution, amendment, and dismissal of her application for Waimea, Hawaii. Specifically, these expenses were incurred in conjunction with reviewing competing applications; obtaining and reviewing amendments to the applications; research concerning the competing applicants' credentials; review of the Hearing Designation Order; preparation of the Public Notice for publication of the HDO; letters re the designation of the Presiding Judge and the hearing schedule; opposition to KR's and KES's financial amendments; preparation of a motion to enlarge issues against KES; preparation and opposition to the motion to enlarge issues against Forbes; review of the settlement agreement; and preparation of the Joint Petition for Approval of Settlement Agreement and the draft escrow agreement and associated documents.

I declare under penalty of perjury that the foregoing is true and correct.


Dan J. Alpert

Signed and dated this 12th day of August, 1993.

Caughill-Palitz, Inc.
1750 Kalakaua Ave., #3-120
Honolulu, Hawaii 96826-3717

Invoice Number 6469
Duplicate
Invoice Date May 27, 1993

COPY

Sold To:

Lori Lynn Forbes
3053 Waterdale Drive
Loveland, Colorado 80538

Ship to:

Lori Lynn Forbes
3053 Waterdale Drive
Loveland, Colorado 80538

Customer ID	Purchase Order	Payment Terms	Page
FORBES	Consulting & Expense	2% 10, Net 30 Days	1

Quantity	Item	Description	Unit Price	Extension
1.00	SVC	Miscellaneous Service	2,000.00	2,000.00
1.00	SLS	Engineering Time		
		Miscellaneous Sales	421.00	421.00
		Expenses		
		For a breakdown of all items on this invoice, please see the schedule attached.		
			Sales Tax	100.96
			Total	2,521.96

CAUGHILL-PALITZ, INC.
BROADCAST ENGINEERS
1750 KALAKAUA AVENUE #2-120
HONOLULU, HAWAII 96826-3717

Schedule I
Invoice 6489
May 27, 1993

Levi Lynn Forbes
3053 Waterdale Drive
Leweland, Colorado 80538

Consulting Services:

April 19, 1993	Call to Mr. Alpert from Las Vegas NAB. Follow-up calls to Honolulu and to Washington DC on April 23, 1993.	1 Hour
April 27, 1993	Initial data gathering and site analysis Radial shows clear	1 Hour
April 28, 1993 - May 13, 1993	Engineering time for analysis of LR Partners objection and preparation of rebuttal statement	50 Hours
May 14, 1993 - May 18, 1993	Preparation of additional exhibits and showings	24 Hours
Time Charges: 76 Hours x \$75.00/hour = \$5,700.00 Quoted not to exceed: \$2,000.00 Total charges for consulting services:		\$ 2,000.00

Expenses:

Telephone 800 & Long Distance Charges	\$ 59.40
120 minutes @ .22 (800#)	\$26.40
100 minutes @ .33 (L.D.)	\$33.00
Professional Image - Color copies	20.60
Pacific Map Center - Quadrangles & Orthos	31.36
Computer Services & Dataworld	186.40
UPS Small Parcel Delivery to Washington D.C. (2 @ \$67.06)	134.12
Total expenses: \$431.88 Quoted not to exceed: \$421.00 Total charges for expenses:	\$ 421.00

Total charges:	\$ 2,421.96
Tax:	100.96
Total Invoice:	\$ 2,521.96

JOHN J. DAVIS & ASSOCIATES
P. O. Box 128
Sierra Madre, CA 91025-0128
(818) 355-6909
FAX: (818) 355-4890
Tax ID #95-2816636

Billed to:

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80538

Invoice #: 910923A

Invoice Date: 09/23/91

Accounts Receivable Balance Forward:	\$	0.00
Payments Received as of 09/23/91:	\$	0.00
Credits issued as of 09/23/91:	\$	0.00

Professional Services Rendered:

Prepare Engineering portion of FCC Form 301
and Engineering Exhibit for New FM Station
operating on Channel 256C to serve Waimea,
Hawaii: \$3,000.00

NOTE: Please deduct any amount already
paid.

CURRENT BALANCE: \$3,000.00

Balance Due By: October 1, 1991



1723
\$1,000.00



1501
\$2,000.00

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAPPER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202.833-1700

August 1, 1992

CAROL IANNONE BROADBENT

FACSIMILE
(202) 833-2391

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

PROFESSIONAL SERVICES RENDERED

Previous Balance 7/1	\$347.17
Balance Due	\$347.17

Payment are reflected through the last day
of the preceding month

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAFER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202.833.1700

July 1, 1992

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

JUL 14 1992

PROFESSIONAL SERVICES RENDERED

Previous Balance 6/1

\$261.20

STATEMENT

Amount

For professional services rendered during the
month of June 1992, including:

Procurement of legal amendment filed by KR Partners

Research re possible attack on KR amendment

\$85.00

Disbursements

Amount

Postage

0.29

Photocopying

0.68

\$0.97

Current billing total

\$85.97

Balance Due

\$347.17

Payment are reflected through the last day
of the preceding month

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAFER
MALCOLM G. STEVENSON

CABLE: \$WMLAW
202-833-1700
June 1, 1992

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

JUN - 4 1992

PROFESSIONAL SERVICES RENDERED

Previous Balance 5/1

\$307.64

STATEMENT

Amount

For professional services rendered during the
month of May 1992, including:

Telephone call with Forbes re hearing strategy

Telephone call with Forbes re proceeding to hearing

Preparation and filing of hearing fee letter

\$140.00

Disbursements

Amount

Courier Delivery (to Pittsburgh filing office)

20.00

\$20.00

Current billing total

\$160.00

Date

Amount

05/08/92 Payment Received

206.44

Total Payments

\$206.44

Balance Due

\$261.20

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAFER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202.833.1700
May 1, 1992

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

MAY 6 1992

PROFESSIONAL SERVICES RENDERED

Previous Balance 4/1

\$206.44

STATEMENT

Amount

For professional services rendered during the
month of April 1992, including:

Telephone calls re possible settlement

Telephone call with client re settlement offer

\$100.00

Disbursements

Amount

Photocopying

1.20

\$1.20

Current billing total

\$101.20

Balance Due

\$307.64

Payments are reflected through the last day of
the preceding month

Ms. Lori Forbes

Date	Amount
02/05/92 Payment Received	224.60

Total Payments	\$224.60
Balance Due	\$206.44

Payments are reflected through the last day of
the preceding month

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAFER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202-833-1700

April 1, 1992

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

APR - 3 1992

PROFESSIONAL SERVICES RENDERED

Previous Balance 1/1

\$224.60

STATEMENT

Amount

For professional services rendered during the
period 1/1/92 through 3/31/92 including:

Procurement of amendment

Letter to client re hearing

Telephone call with client re application status
and hearing outlook

Telephone call with Eisen re settlement prospects

Procurement of application amendments by competing
applicant

\$192.50

Disbursements

Amount

Photocopying

7.44

Postage

2.08

Telephone Tolls

4.42

\$13.94

Current billing total

\$206.44

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAPPER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202-833-1700

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

January 1, 1992

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, Colorado 80537

JAN - 8 1992

PROFESSIONAL SERVICES RENDERED

Reminder Statement

Previous Balance 12/1	\$224.60
Balance Due	\$224.60

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAFER
MALCOLM G. STEVENSON

CABLE: SWMLAW
202-833-1700

December 1, 1991

FACSIMILE
(202) 833-2351

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

DEC - 5 1991

PROFESSIONAL SERVICES RENDERED

Previous Balance 11/1

\$8.23CR

STATEMENT

Amount

For professional services rendered during the
month of November 1991, including:

Research re public notice acceptance of
application for new FM at Waimea, Hawaii

Telephone call with client re competing
applications; conference with legal assistant

Procurement of competing applications for new FM
station at Waimea, Hawaii

\$187.50

Disbursements

Amount

Photocopying

39.08

Postage

3.48

Telephone Tolls

2.77

\$45.33

Current billing total

\$232.83

Balance Due

\$224.60

LAW OFFICES
SCHWARTZ, WOODS & MILLER
SUITE 300, THE DUPONT CIRCLE BUILDING
1350 CONNECTICUT AVENUE, N.W.
WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
LAWRENCE M. MILLER
STEVEN C. SCHAPPER
MALCOLM G. STEVENSON

CABLE: SWMLAW

202-833-1700

November 1, 1991

FACSIMILE
(202) 833-2361

OF COUNSEL
LOUIS SCHWARTZ

TAX COUNSEL
MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
3053 Waterdale Drive
Loveland, CO 80537

NOV - 6 1991

PROFESSIONAL SERVICES RENDERED

Previous Balance 10/1

\$384.50CR

STATEMENT

Amount

For professional services rendered during the
month of October 1991, including:

Preparation of application

Telephone call with Forbes re local notice and
public file

Letter re O'Connor filing

\$300.00

Disbursements

Amount

Express Deliveries

29.25

Facsimile

2.00

Telephone Tolls

1.62

Photocopying

43.40

\$76.27

Current billing total

\$376.27

Balance Due

\$8.23CR

LAW OFFICES
SCHWARTZ, WOODS & MILLER
 SUITE 300, THE DUPONT CIRCLE BUILDING
 1350 CONNECTICUT AVENUE, N.W.
 WASHINGTON, D. C. 20036-1702

ROBERT A. WOODS
 LAWRENCE M. MILLER
 STEVEN C. SCHAPPER
 MALCOLM G. STEVENSON

CABLE: SWMLAW
 202-833-1700
 October 1, 1991

FACSIMILE
 (202) 833-2351

OF COUNSEL
 LOUIS SCHWARTZ

TAX COUNSEL
 MARK B. WEINBERG

CAROL IANNONE BROADBENT

Ms. Lori Forbes
 3053 Waterdale Drive
 Loveland, CO 80537

OCT 11 1991

PROFESSIONAL SERVICES RENDERED	STATEMENT	Amount
Consultation with client; preparation and filing of application for construction permit for Wainea, Hawaii FM station; advice and counsel re comparative criteria, financial qualifications requirements, and related matters; preparation of local newspaper notice and publication instructions; related correspondence.		----- \$1100.00
Disbursements		Amount
Express Deliveries		15.50
		----- \$15.50
	Current billing total	\$1115.50
Date	-	Amount
09/30/91 Payment Recieved		1500.00
	Total Payments	----- \$1500.00
	Balance Due	\$384.50CR

CERTIFICATE OF SERVICE

I, Cary S. Tepper, Esquire, hereby certify that on this 23rd day of August, 1993, I have served a copy of the foregoing "Joint Request for Approval of Settlement Agreements" first-class, postage-prepaid, on the following:

*Hon. Joseph P. Gonzalez
Administrative Law Judge
Federal Communications Commission
2000 L Street, N.W., Room 221
Washington, D.C. 20554

*Gary Schonman, Esq.
Hearing Division, Mass Media Bureau
Federal Communications Commission
2025 M Street, N.W., Room 7212
Washington, D.C. 20554

Dan J. Alpert, Esq.
1250 Connecticut Avenue, N.W.
7th Floor
Washington, D.C. 20036
(Counsel to Lori Lynne Forbes)

Mark Van Bergh, Esq.
Waysdorf & Van Bergh
1000 Connecticut Avenue, N.W.
Suite 504
Washington, D.C. 20036
(Counsel to KR Partners)


Cary S. Tepper, Esq.

*denotes Delivery By Hand